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NEWS RELEASE

Adapting to a new normal for real estate

CapitaLand boosts recovery in China with digitalisation strategy

- *More than 2,700 apartment viewing appointments booked via CapitaStar*
- *CapitaStar livestreams generated over RMB1 million tenant sales in eight hours*
- *Plans to leverage CapitaStar to drive cross-border online sales for tenants within the Group's network*

Singapore, 15 June 2020 – As countries around the globe are taking the first prudent steps to ease lockdowns, CapitaLand recognises that real estate post-COVID-19 will no longer be “business as usual”. The Group is fast-tracking its digitalisation journey to establish a new normal. The recovery of CapitaLand’s residential and retail businesses in China has been boosted in part by the Group’s recent digitalisation efforts to sustain engagement with consumers, even during the country’s nationwide lockdown. An urgency to tap the stay-home economy accelerated its onboarding of partners with CapitaStar¹. Through CapitaStar, the Group is digitally connecting its members across different asset classes to create a CapitaLand ecosystem comprising homeowners, shoppers as well as tenants of its retail, office, business parks and industrial properties.

In mid-March 2020, CapitaLand rolled out a “Homes” feature on CapitaStar’s WeChat catering to house hunters in China. By the end of May 2020, more than 2,700 viewing appointments have been booked through the feature. From January to May 2020, the Group sold more than 1,400 residential units worth about RMB4 billion. About half of the sales was achieved in the month of May alone. Notable launches in May 2020 included Parc Botanica in Chengdu and La Botanica township in Xi’an, which sold out a combined total of 722 units within four days.

On the retail front, CapitaLand reduced CapitaStar’s platform fees and simplified the onboarding process in February 2020, as a way of helping its mall tenants achieve online sales. Selling online through CapitaStar has helped CapitaLand’s mall tenants in China expand their geographical reach, with 45% of CapitaStar’s gross merchandise value attributed to shoppers outside the stores’ cities. As at end May 2020, about 88% stores in CapitaLand malls across China have resumed operations. The malls have also recovered about 70% of pre-pandemic footfall levels, pointing to a sustained recovery in consumer sentiment.

¹ CapitaStar is CapitaLand’s lifestyle and loyalty app, with more than 10 million members in China and more than 1 million members in Singapore.

Mr Lee Chee Koon, Group CEO, CapitaLand Group, said: “CapitaLand has long recognised the importance of integrating the physical and digital realms to create a competitive advantage for the Group and our ecosystem partners. This conviction has led us to continually invest in and grow CapitaStar as our key digital engagement platform to complement our physical network of properties. Today, CapitaStar has amassed over 10 million members in China and more than 1 million in Singapore, making it the leading digital platform by a real estate player in both markets. Expanding the size and cultivating the vibrancy of this CapitaLand ecosystem is our next logical step. We are exploring to support cross-border sales of products and services via CapitaStar, for tenants at our retail, office, business park and industrial properties in Singapore and China. This unique network of B2C and B2B connections will enhance our value proposition as a holistic ecosystem provider beyond a traditional brick-and-mortar landlord.”

Mr Lee added: “COVID-19 has disrupted the traditional supply chains across the world. This presents a unique opportunity for CapitaLand and our ecosystem partners to create new business models and find new channels of sales and distribution. CapitaLand remains committed to working with our ecosystem partners across asset classes, with whom we share a symbiotic relationship, to emerge stronger together as we ride through these trying times.”

Mr Lucas Loh, President, China, CapitaLand Group, said: “In the past, every multinational company needed a China strategy; nowadays, every company in China must have a digital strategy. As a real estate player operating in one of the world’s most competitive digital economies, it is imperative for CapitaLand to have our own digital platform, in the form of CapitaStar, that we can leverage to engage our customers. This goes beyond mitigating the short-term business impact of COVID-19, to creating a scalable digital ecosystem that supports the Group’s long-term growth. Scaling this digital ecosystem will allow CapitaLand to increase our mindshare and market share in China, even as we continue to enhance our physical network.”

Enhancing customer and partner experiences through the CapitaStar ecosystem

In China, more than 1,100 retailers are onboard CapitaStar’s ecommerce platform, with another approximate 3,000 retailers in the pipeline. Building on CapitaStar’s expanded online merchant base, the Group has ramped up the delivery of integrated online and offline shopping experiences to shoppers, including livestream sales that are increasingly popular in China. To date, more than 50 livestream sales in partnership with over 100 retailers have taken place via the “Star Live Studio” feature on CapitaStar’s WeChat, attracting more than 400,000 viewers in total. The online buzz has translated into tangible outcomes. A recent livestream jointly held by 10 CapitaLand malls in eastern China on 22 May 2020 generated more than RMB1 million tenant sales in eight hours.

Besides livestream sales, tenants’ employees have started to provide timely shopping assistance online and hold daily promotions through CapitaStar’s WeChat. Riding on the positive momentum, CapitaStar’s online retail sales in May 2020 showed a 6.5-fold increase compared with March 2020. The platform currently lists over 60,000 SKUs (stock keeping units), some of which can be picked up in physical stores in addition to home delivery. This enhances convenience for shoppers and drives footfall to CapitaLand malls.

Also helping to drive tenant sales is CapitaLand’s “Next-Ten” retail concept store, which has been rolled out across eight China malls. Offering an innovative new retail business model, Next-Ten leverages data insights and social media marketing to support participating retailers in making sales 24/7 online and offline without space constraints. In the past year, Next-Ten has helped participating retailers achieve an increase of 11% in sales on average.

In Singapore, CapitaLand launched [eCapitaMall](#) and [Capita3Eats](#) (pronounced as “capita-treats”) via [CapitaStar app](#) on 1 June 2020 to complement storefront sales in its shopping malls. eCapitaMall is a curated digital mall that offers shoppers the flexibility to browse online before purchasing in-store or browse in-store before purchasing online. Capita3Eats is Singapore’s first mall-operated food ordering platform that offers consumers three ways to fulfil their food orders – delivery, takeaway or dine-in.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia’s largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S\$131.9 billion as at 31 December 2019. CapitaLand’s portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand’s REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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